Switzerland, Sweden and Singapore are the three most innovative countries in the world, according to the Global Innovation Index (GII) 2012, a ranking of 141 countries co-produced by INSEAD and the World Intellectual Property Organization (WIPO, a specialised agency of the United Nations) published in Geneva on July 3, 2012. Currently in its fifth year, the GII measures the degree to which countries and economies integrate innovation into their political business and social spheres. Knowledge partners for the GII 2012 are Alcatel-Lucent, Booz & Company and the Confederation of Indian Industry (CII).

This is the second year running that Switzerland, Sweden and Singapore have been in the top three positions. The rest of the top ten this year are: Finland, the United Kingdom, the Netherlands, Denmark, Hong Kong (China), Ireland and the United States. Canada dropped out of the top ten this year, while the U.S. fell to tenth position from number seven last year, changes which the report attributes to cutbacks in spending on, and support of, education and research and development.

"The GII is a timely reminder that policies to promote innovation are critical to the debate on spurring sustainable economic growth," WIPO Director General Francis Gurry said.

The report also points out a need for the BRIC countries (Brazil, Russia, India and China) to invest further in innovation to live up to their potential. Russia advanced this year in the rankings, while Brazil, China and India dropped - with Brazil suffering the largest fall.

Newly innovative countries

But despite results showing the leading innovators tend to be those countries which are wealthier and more developed than most, the report includes a wide range of countries in the top 20 as well as strong performance by emerging countries including Latvia, Malaysia, Jordan, Armenia, Moldova, Ukraine, Vietnam and Senegal, plus low-income countries Kenya and Zimbabwe.

"The GII seeks to update and improve the way innovation is measured," Soumitra Dutta, The Roland Berger Chaired Professor in Business and Technology at INSEAD, and the founder of the GII, said. "Today’s definitions must capture an environment which is context-driven, problem-focused, and interdisciplinary. The 2012 variables were broadened in an effort to find the right mix which captures innovation as it happens today."

A new measurement in this year’s GII includes the Global Innovation Efficiency Index, showing which countries exhibit innovation despite an environment which may be less than supportive. China, India and the Republic of Moldova are the top three in this
category; four of the top ten are lower-middle income countries: Malta, Switzerland, Paraguay, Serbia, Estonia, the Netherlands, and Sri Lanka.

**Divides persist**

Yet despite this new dynamic of innovation arising from emerging countries, the report also highlights persistent divides among countries and between regions: a multi-speed Europe, for example, with innovation leaders in Northern and Western Europe; Eastern Europe and Baltic countries catching up, and Southern Europe that lags in performance.

The findings also emphasise the need to continue investing in innovation despite the economic recession. “The downward pressure on investment in innovation exerted by the current crisis must be resisted,” WIPO’s Francis Gurry said. “Otherwise we risk durable damage to countries’ productive capabilities. This is the time for forward-looking policies to lay the foundation for future prosperity.”

*View the report, videos and other information click here*

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